



STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

IN REPLY REFER TO:

Board of Land and
Natural Resources
State of Hawaii
Honolulu, Hawaii

MAUI

ACQUISITION OF PRIVATE LANDS AND SET ASIDE TO DEPARTMENT
OF TRANSPORTATION, HARBORS DIVISION, FOR MARITIME
PURPOSES, KAHULUI, WAILUKU, ISLAND OF MAUI,
TAX MAP KEY: 2ND DIVISION, 3-7-10: 1 AND 36

APPLICANT AGENCY:

Department of Transportation

PRIVATE LANDOWNER:

A&B Properties, Inc., a Hawaii corporation and wholly owned subsidiary of Alexander
and Baldwin, Inc., a Hawaii Corporation, whose business and post office address is
822 Bishop Street, Honolulu, Hawaii 96813

LEGAL REFERENCE:

Sections 107-10, 171-11 and 171-30, and Chapter 101, Hawaii Revised Statutes, as
amended and as may be necessary

LOCATION:

Privately-owned lands of Wailuku Commons, situated at Kahului, Wailuku, Island of
Maui, identified by Tax Map Key: 2nd Division, 3-7-10: 1 and 36, as shown on the
attached map labeled "Exhibit A"

LAND AREA OF TWO CONTIGUOUS PARCELS:

TMK: 2nd Division, 3-7-10: 1: 77,493 square feet (1.779 acres), more or less
TMK: 2nd Division, 3-7-10:36: 94,002 square feet (2.158 acres), more or less
Total Gross Land Area: 171,495 square feet (3.937 acres), more or less

ZONING:

State Land Use District: Urban District
County of Maui CZO: M-2, Heavy Industrial District

CURRENT USE:

TMK: 2nd Division, 3-7-10: 1:

Parcel 1 of Tax Map Plat: (2) 3-7-10 is a rectangular-shaped, legally subdivided lot located on the corner of Kaahumanu Avenue and Wharf Street and level at street grade. Vehicular access from Kaahumanu Avenue is restricted to a single designated curb cut.

The subject property is improved with a two-story retail/office building constructed circa 1904-1916 of wood-frame construction on a concrete slab foundation. Units A through L represent ground floor units, some with mezzanine space. Unit M is a second floor office accessible by way of a stairway located on the northern side of the building. Units 1 through 4 are small storage spaces. The retail/office spaces (Units A through L) range in size from approximately 854 to 5,803 square feet. The second floor Unit M contains approximately 1,608 square feet and the four storage units (Units 1 through 4) range in size from approximately 136 to 228 square feet. Customer vehicle parking is located on the north (makai) side of the building. At present, there are no vacant, unoccupied units in the building.

Upon inspection, the overall condition of the retail/office building was deemed to be in average condition with some signs of physical deterioration on the building's interior and exterior. Regular maintenance over the years has helped preserve the quality and overall condition of the building.

TMK: 2nd Division, 3-7-10: 36:

Parcel 36 of Tax Map Plat: (2) 3-7-10 is a rectangular-shaped, legally subdivided lot located on Kaahumanu Avenue near Wharf Street and adjacent to the above-mentioned property and also level at street grade. Vehicular access from Kaahumanu Avenue is also restricted to a single designated curb cut.

The subject property is improved with three detached one-story retail/office buildings built in 1923 of masonry construction. Building A consists of Units A, B and C. Building B contains Units D through I and Building C consists of Units J through P. The retail/office spaces range in size from approximately 168 to 2,567 square feet. Customer vehicle parking is located on the north (makai) side of the buildings. Building C has one vacancy of approximately 305 square feet.

Upon inspection, the overall condition of the retail/office buildings was deemed to be in average condition with some signs of physical deterioration on all three buildings' interior and exterior. Regular maintenance over the years has helped preserve the quality and overall condition of the buildings.

CONSIDERATION:

\$9,820,000 which value is within the range of fair market value established by independent real estate appraiser under contract within the Harbors Division, as required by Section 171-30, Hawaii Revised Statutes, relating to Acquisition of real property; general

PURPOSE:

Maritime and maritime-related activities, operations and purposes

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

The Final Environmental Assessment for the subject project was published in the State Office of Environmental Quality Control's (OEQC) Environmental Notice on August 23, 2006 with a finding of no significant impact (FONSI).

REMARKS:

The Department of Transportation, Harbors Division, desires to utilize Harbor Division special funds to acquire fee simple interest and title to two (2) contiguous, improved land parcels from A&B Properties, Inc., a Hawaii corporation and wholly owned subsidiary of Alexander and Baldwin, Inc., a Hawaii corporation for commercial harbor expansion at Kahului Commercial Harbor. Both land parcels are located adjacent to and south of Kahului Commercial Harbor, on Kaahumanu Avenue, between Wharf Street and Hobron Avenue.

The fee simple acquisition of the contiguous, improved land parcels are necessary for the Harbors Division's expansion of Kahului Commercial Harbor, which is presently congested with increasing, burgeoning maritime operations. Once acquired, the subject parcels will be included in the upcoming Kahului Commercial Harbor 2030 Master Plan project. The master plan's task force will determine the best future use of the two

parcels. Prior to the completion of the 2030 Master Plan, the Harbors Division will implement minor projects that are listed in the Comprehensive Exemption List for the Department of Transportation within the confines of the two parcels in the interim to enable Young Brothers, Ltd.'s continuation of its full range of inter-island cargo services, including its less-than-container-load (LCL) cargo operations.

The acquisition of the subject contiguous, improved land parcels was authorized by Sections 85, 106 and 114 of Act 178, Session Laws of Hawaii 2005, as amended by Act 160 SLH 2006, which also appropriated the sum of \$10 million from the Harbors Division Special Fund for land acquisition purposes.

RECOMMENDATION: That the Board:

- A. Authorize the acquisition of the subject private lands by the Department of Transportation, subject to the terms and conditions cited above which are by this reference incorporated herein, and further subject to the completion or issuance of the following items:
 1. The standard terms and conditions of the most current deed document form, as may be amended from time to time;
 2. Satisfactory preliminary and final title reports prepared by a recognized and reputable local title company;
 3. Owner's Title Insurance, if deemed necessary by the Land Board Chairperson or the Department of the Attorney General;
 2. Eminent domain proceedings, as may be necessary for the acquisition, pursuant to Chapter 101, Hawaii Revised Statutes;
 3. Review and approval by the Department of the Attorney General; and,
 4. Such other terms and conditions as may be prescribed by the Land Board Chairperson and Director of Transportation to best serve the interests of the State.
- B. Approve of and recommend to the Governor the issuance of an executive order setting aside the subject lands to the Department of Transportation, Harbors Division, under the terms and conditions cited above, which are by this reference incorporated herein and subject further to the following:
 1. The standard terms and conditions of the most current executive order form, as may be amended from time to time;

2. Disapproval by the Legislature by two-thirds vote of either the House of Representatives or the Senate or by a majority vote by both in any regular or special session next following the date of the setting aside;
3. Review and approval by the Department of the Attorney General; and,
4. Such other terms and conditions as may be prescribed by the Land Board Chairperson to best serve the interests of the State.

Respectfully submitted,



BARRY FUKUNAGA
Director of Transportation

Attachment: Exhibit A

APPROVED FOR SUBMITTAL:



ALLAN A. SMITH
Interim Chairperson and Member

3 7 10



EXHIBIT "A"

ADVANCE SHEET
SUBJECT TO CHANGE

Per. of KAHULUI. MAUI

SECOND	DIVISION
ZONE	SEC. PLAT
3	7 10
CONTAINING PARCELS	
SCALE 1"=100'	

SCALF 1117: 100 ft.